

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**  
**April 12, 1984**

**Public Hearing: Department of Agriculture**

**MR. CHAIRMAN:** — I want to welcome to our committee Jack Drew, deputy minister; Stuart Kramer, assistant deputy minister; Wes Mazer, director, administrative services branch; Carl Folk, director, personnel and training branch; Ken Petruic, department accountant.

Welcome, gentlemen, to the eight meeting of the Standing Committee on Public Accounts. We appreciate your attendance and want to thank you for taking time out from what we know is a busy schedule.

We tell everyone that the committee proceedings are privileged in the sense that nothing you say here can be the subject of a criminal action or a libel or slander action outside the committee. On the other hand, it's transcribed under normal circumstances (and I'll raise that issue in a moment), and is thus readily available for use outside the committee.

An initial question concerns the alfalfa plant at Outlook. We have had a number of questions on it and we have been discussing that in camera. One or another members of the committee wondered if there is any litigation involved in court with respect to that, apart from the normal application by the trustee on bankruptcy.

If there is a litigation involved, we probably should hold the proceedings in camera in the sense that it will not be transcribed, and members of the committee understandably cannot repeat the information out of the room.

So I guess the first question is: is there any litigation involved in that?

**MR. DREW:** — There is. It's under receivership, Mr. Chairman, at the moment, and the receiver is in court with a couple of accounts.

**MR. CHAIRMAN:** — Okay. I think we'll then ask the *Hansard* recorder to . . .

Okay, we can go back onto the — members have finished — go back onto the transcribed.

**Public Hearing: Department of Agriculture (continued)**

**MR. KATZMAN:** — Mr. Chairman, re the \$634,000 situation, I recommend that in future, if the government is ever doing it, that they hold the asset as theirs rather than so there is no confusion again. And that will follow that . . . That's the intent that we should flag in our report.

**MR. CHAIRMAN:** — Any comments on that motion? All agreed.

AGREED

Gentlemen, before I recognize the member from Morse, where is your annual report?

**MR. DREW:** — We have copies with us, Mr. Chairman.

**MR. CHAIRMAN:** — For 1983?

**MR. DREW:** — I am not sure whether it's been tabled.

**MR. CHAIRMAN:** — Can't give it to me unless it's tabled.

**MR. DREW:** — I'm sure it was tabled just before Christmas.

**MR. CHAIRMAN:** — Was it? Okay. I asked the Clerk and he said he didn't have it, and I couldn't find mine. But if it has been tabled, then give us some. I think we'd better wait until the Clerk comes back. Just a moment.

**MR. MARTENS:** — There's some observations here in the auditor's report. On December 31 of '82 there was \$36,000. That was . . . (inaudible) . . . arranging these sales and for costs incurred thereon by the commission. Charges were made for approximately \$36,000.

**MR. DREW:** — That, Mr. Chairman, was a fee charged on a Japanese long-term contract and was a means of recovering costs associated with the sale, notably the loss of interest revenue due to the time-lag between invoicing and receipt of funds — telephone charges, telex charges, etc.

**MR. MARTENS:** — So you made that account payable by the producers. Is that what I read there?

**MR. DREW:** — Yes, it was a levy.

**MR. MARTENS:** — Were those producers beneficiaries of the sale of the product?

**MR. DREW:** — Possibly not each one specifically but in aggregate it was part of the pool.

**MR. MARTENS:** — Has this traditionally been done that way or was this different?

**MR. DREW:** — It probably was unprecedented and had never been raised before as an issue.

**MR. MARTENS:** — Was it just as a matter of accounting that this was not done? Or was it just that it never happened before?

**MR. DREW:** — To my knowledge, Mr. Chairman, they had never recovered charges in this manner before.

**MR. MARTENS:** — What's the procedure that you're going to be using from now on — like with the transfer from the hog commission to the hog marketing board? Are they going to recover those costs themselves or is that general direction changing?

**MR. DREW:** — Yes, Mr. Chairman. I think, with the conversion to a producer-elected board, they will be more autonomous and more accountable for their own business activities, and I would not look favourably on any assistance to help them if they, like, mismanaged a sale or at least didn't foresee some of the costs associated with a sale.

**MR. MARTENS:** — Was this \$36,000 accumulated over a number of years or was it just . . . Like, you mentioned interest. Was it a one sale? Or was it many sales over a longer period of time or only the period of time . . .

**MR. DREW:** — My information suggests it was a long-term contract. I could provide you with how long and over what period of time. I don't have that right with me, Mr. Chairman.

**MR. MARTENS:** — It was a long-term contract.

**MR. GLAUSER:** — Are you in agreeance with the auditor on what he says about that, or do you feel that it was quite legitimate to collect those charges?

**MR. DREW:** — Mr. Chairman, the auditor says they did not have the authority to collect this and I concur with his view.

**MR. GLAUSER:** — Do you think you should have the authority the next time, if you got into, you know, these charges, these quite legitimate charges? I suspect . . .

**MR. DREW:** — Surely, Mr. Chairman, I would think that good business practice on behalf of the hog marketing board, as it will now be, would be to assure that their sale, you know, recover the costs, and if it didn't, the cost would be pooled or shared by the people selling through the board.

**MR. GLAUSER:** — If these kinds of contracts were going to be entered into down the road, perhaps it would be advisable to receive that kind of authority to distribute those costs.

**MR. DREW:** — I would think, Mr. Chairman, that the board should, in their constitution and by-laws, ensure that they have the power to do such fee collection for general benefit to the producers

**MR. GLAUSER:** — On page 3 of the . . . Oh, perhaps you don't have a compendium of these letters, but you would have received . . . It was reported that a payment of \$34,000 to the Saskatchewan Sheep and Wool Marketing Commission, that was without apparent authority. Are we looking at the same scenario here on that transaction?

**MR. DREW:** — Yes, Mr. Chairman. We normally advance from the department an administrative grant to the sheep and wool commission. The figure you're referring to was a supplementary advance that was given to them for administrative purposes, and the proper order in council was not put through with it. It was a blunder.

**MR. MARTENS:** — So the process was just incorrectly done?

**MR. DREW:** — Staff, Mr. Chairman, were under the impression that the original order in council authorized such advances, and were not aware that the additional advance would require an additional order in council.

**MR. BENSON:** — Mr. Chairman, if I could ask the department, the original \$50,000 was charged to assist in general agricultural interest. Where was the other being charged?

**MR. DREW:** — If you'd like, Mr. Chairman, my officials will look that up in the next few minutes, if you could let me reserve the answer.

**MR. CHAIRMAN:** — I'm sorry. I was not . . . I was adding up some figures on public accounts when this was going on, and I don't know the question you're looking for. Is it something that can be . . .

**MR. BENSON:** — It can be answered. It doesn't . . . (inaudible) . . .

**MR. CHAIRMAN:** — . . . answered in writing? Because it seems to be a rather involved affair here. Okay. Would you answer that in writing, provide 15 copies of your answer to the Clerk, who will distribute it to committee and staff. Now, any questions here?

During that time that it was going on, I added up the amounts expended by the department in contractual services. I did it without the benefit of a pocket calculator, which I usually have with me, but I came to a figure of \$2.25 million for contractual services. It strikes me as being a fairly high sum in a department with a budget of \$85 million and, particularly, when such a large portion of that is in grants. Let me ask a preliminary question: what portion of your budget is paid out in grants? Of the \$85 million, what percentage was paid out in grants?

**MR. GLAUSER:** — It's on the back page of the report.

**MR. CHAIRMAN:** — Maybe. Where is that? . . . (inaudible interjection) . . . All right, that's quite possible.

**MR. DREW:** — Mr. Chairman, it's approximately 15 per cent.

**MR. CHAIRMAN:** — Okay. Assuming that the \$2.25 million in contractual services to be accurate, and I'm not wildly off it because . . . I might be off by \$100,000; I don't think it's off any more than that. What would that have covered?

**MR. DREW:** — Well, the big item, Mr. Chairman, would be the contractual work under our lands branch for grass rejuvenation and pasture renovation.

**MR. CHAIRMAN:** — And what was that figure?

**MR. DREW:** — Approximately \$1 million.

**MR. CHAIRMAN:** — . . . (inaudible) . . . in *Public Accounts*, volume 1 and 2 before . . . (inaudible) . . . Perhaps you could assist me by giving me the page.

**MR. DREW:** — On page 11, Mr. Chairman, it shows something just slightly over \$1 million to that program.

**MR. CHAIRMAN:** — All right. To whom was that given? To whom was that contract let? Was it a single contract?

**MR. DREW:** — No, there would be numerous contacts let, Mr. Chairman, to anything from farmers in the area to our own conservation and development branch, depending on the magnitude of the work to be done.

**MR. CHAIRMAN:** — What was the nature of the work being done?

**MR. DREW:** — It would be everything from clearing to raking and reseeding, any land worked, basically pasture rejuvenation.

**MR. CHAIRMAN:** — Is there a set amount paid per hectare? (I suppose one would mention the land in now). Is there a set amount paid per hectare? Are these contacts tendered? Or how were they let out?

**MR. DREW:** — No, the contacts were tendered, Mr. Chairman.

**MR. CHAIRMAN:** — The contracts were tendered. Okay. And was the highest bidder chosen in all cases? Was the lowest bidder chosen in all cases?

**MR. DREW:** — I believe in all cases, except for our own conservation and development branch who have unique equipment and do some particularly difficult reseeding of rocky areas or something like this, Mr. Chairman.

**MR. CHAIRMAN:** — Okay. What about the rest of the one point, the rest of the contractual services?

**MR. DREW:** — Mr. Chairman, there was approximately 164,000 in research contracts.

**A MEMBER:** — Where?

**MR. DREW:** — Page 9, marketing and economics branch.

**MR. CHAIRMAN:** — Those were research grants, given to who? I assume this wasn't tendered, or was it?

**MR. DREW:** — No, those are normally not tendered, Mr. Chairman.

**MR. CHAIRMAN:** — . . . (inaudible) . . . was that given?

**MR. DREW:** — Primarily a cost of production study for hogs, beef, dairy, and grain — that was about 153,000 of this amount. And those, I believe, are primarily with the Farm Fax at Raymore, as I understand — a farm management consulting group out of Raymore that have, over the years, been collecting cost of production information for us for use in our stabilization programs, and our dairy and milk control board use them for establishing milk prices.

**MR. CHAIRMAN:** — So you have had contractual services from them in the past? This is not a new venture for the department?

**MR. DREW:** — No. It's an ongoing thing.

**MR. CHAIRMAN:** — How does the volume of expenditure in the year under review compare with previous years, or even subsequent years, of its development?

**MR. DREW:** — Well, it would be similar, Mr. Chairman. I guess we could provide you with the exact figures.

**MR. CHAIRMAN:** — Okay. Why don't you do that — again 15 copies to the Clerk to distribute to the committee.

Well let's just keep going then. There are some other large sums.

**MR. DREW:** — If you'd like, Mr. Chairman, on page 10 there's a conservation and development branch nearly \$500,000 debt also.

**MR. CHAIRMAN:** — That's another one I was looking for. Right. What's that?

**MR. DREW:** — That would be maintenance of irrigation and drainage works throughout the province.

**MR. CHAIRMAN:** — Is that a single contract or a number of contracts?

**MR. DREW:** — No. That also would be a number of contracts.

**MR. CHAIRMAN:** — Tendered?

**MR. DREW:** — Yes. I believe they're all tendered. Some of the work is, in fact, done by their own crew, which wouldn't be contracted.

**MR. CHAIRMAN:** — But that wouldn't show up as contractual services, then.

**MR. DREW:** — Yes, it does. It's out of a revolving fund, Mr. Chairman.

**MR. CHAIRMAN:** — I see. Okay. Was a low bidder chosen in all cases except for the work that was done by the branch?

**MR. DREW:** — Yes, I believe so, Mr. Chairman.

**MR. CHAIRMAN:** — Let's just go through these. Then perhaps why don't we just start at the beginning. Administrative services: there was \$101,000. What was that?

**MR. DREW:** — That also is a multitude of contracts, Mr. Chairman.

**MR. CHAIRMAN:** — Would you want to supply me with a breakdown in writing then on that? How many contracts are there?

**MR. DREW:** — We have more than a dozen, some of which are lumped under a miscellaneous category, so there would have been more than a dozen.

**MR. CHAIRMAN:** — . . . (inaudible) . . . Do you want to supply me with a list of those then? Supply the committee with a list of those?

**MR. DREW:** — I'm sure we could undertake to do that.

**MR. CHAIRMAN:** — Communications, somewhat to my surprise, came in at a paltry \$1,200. I might have assumed there would have been some advertising firms in there, but I gather there weren't. You didn't get that much advertising for \$1,200. Page 6 of *Public Accounts*.

**MR. DREW:** — No, these were, Mr. Chairman, primarily registration fees for conferences, association and professional dues, and memberships in professional associations.

**MR. CHAIRMAN:** — . . . (inaudible) . . . not worthy of our time. Regional extension services branch: \$59,000.

**MR. DREW:** — Mr. Chairman, that's again made up of several items. The biggest single contract was with Dr. Ross Greenshields, who was our FarmLab co-ordinator — some 42,000 of that.

**MR. CHAIRMAN:** — What was the rest? Now that contract, was that a case where he works at the university?

**MR. DREW:** — Unfortunately, Mr. Chairman, he has passed away, but he was engaged, I believe, for three years, up until his passing away last November, December.

**MR. CHAIRMAN:** — What was the balance then?

**MR. DREW:** — It was some \$3,500, Mr. Chairman, for registration fees for conferences, and professional fees for the Saskatchewan Institute of Agrologists. There was some \$2,000 for resource people at meetings — now this could be regional meetings in the country — some \$1,200 for FarmLab projects; some \$3,000 for meals, and I believe that would be associated with FarmLab; and some \$3,7000 for cinematography.

**MR. CHAIRMAN:** — And they got movies, eh?

**MR. DREW:** — I'm sure it was not . . . it would be related to FarmLab, Mr. Chairman.

**MR. CHAIRMAN:** — I'm not so sure.

**MR. DREW:** — And \$1,000 for a seed drill survey.

**MR. CHAIRMAN:** — We'd better stop this. The *Hansard* doesn't always record the humour. Sometimes it records the insensible as sensible comments.

I'm going to take your word for it, if you have not been watching pornographic movies in the regional extension services branch. The farm improvement branch loan again is a relatively small sum. The animal industry branch is a relatively less modest sum, \$96,000. What was that?

**MR. DREW:** — Mr. Chairman, about \$51,000 of that is a contract with MacDonald College who

undertake our computer program for the Dairy Herd Improvement Association Services. Some \$2,700 was given to the R.O.P. (Record of Performance) for beef information packages. Some \$7,000 was given to the, I believe that would be the co-op stud station at Yorkton for progeny testing. Some \$5,000 was given for provincial border livestock inspection. And some \$13,000 was given for feed ration testing. Okay, I'm sorry. That was to SaskComp for software development. And some \$5,700 to the Saskatchewan Wheat Pool for artificial insemination instruction. Some \$3,600 for black fly control.

**MR. CHAIRMAN:** — Veterinary service — it seems obvious enough — that was paid to veterinarians for a variety of services?

**MR. DREW:** — Yes, Mr. Chairman, the bulk of that 261,000 was paid to the federal government for meat inspection.

**MR. CHAIRMAN:** — 251,000 of it was paid for . . .

**MR. DREW:** — 261,000.

**MR. CHAIRMAN:** — 261,000. Okay. Well that accounts for all that's relevant. Okay. I just have a couple of other questions, one of which arose out of the half a million dollars paid to the Regina Exhibition Association. What is that payment? Is that an annual grant that they get?

**MR. DREW:** — That, Mr. Chairman, is the annual rebate of taxes collected on pari mutuel betting.

**MR. CHAIRMAN:** — I see. That is not a new policy, is it?

**MR. DREW:** — No, it's my understanding we have always rebated some of the pari mutuel tax that's collected back to the exhibitions.

**MR. CHAIRMAN:** — It doesn't relate strictly to the exhibition, does it? Pari mutuel runs for several weeks during the summer. You're not just rebating the taxes during the exhibition. It's a name. It has nothing to do with pari mutuel, eh?

**MR. DREW:** — No.

**MR. CHAIRMAN:** — It runs out there and operated by the board.

**MR. DREW:** — Yes, I believe the provincial government collects about 10 per cent tax on the pari mutuel take. We've been rebating 80 per cent of the amount that was taken, and it depends on the amount . . . (inaudible) . . . all through the season.

**MR. CHAIRMAN:** — Is Regina the only . . . Is there pari mutuel betting in Saskatoon?

**MR. DREW:** — Saskatoon and Moose Jaw in the year under question.

**MR. CHAIRMAN:** — Do they have the same arrangements?

**MR. DREW:** — Yes, they do.

**MR. CHAIRMAN:** — They do. How much, then, is rebated to Saskatoon?

**MR. DREW:** — Saskatoon got something over \$1 million in the year in question.

**MR. CHAIRMAN:** — Heavier betters up there. And how much did Moose Jaw get then?

**MR. DREW:** — Some \$23,000, Mr. Chairman.

**MR. CHAIRMAN:** — I have one other question: \$51,000 was paid to Piapot Indian Band, and perhaps there were sums paid to other bands. What's that for?

**MR. DREW:** — That, Mr. Chairman, was compensation for expenditures incurred in the preparation of an offer to acquire lands from the province, as part of their outstanding treaty Indian land settlement.

**MR. CHAIRMAN:** — I see. I see. Okay. Any other question on this?

**MR. MORIN:** — Well I don't know if it's relevant, Mr. Chairman. It's not exactly dealing with dollars, but I noticed going through your annual report there are comments made on your regional extension service, and I wonder if you have any plans of expansion on that service, or how happy you are with that service. It's long been a concern of mine that in a province like Saskatchewan, we should be doing more to provide farmers, particularly, with information to make them better farmers. And I'm just not sure that we're really been living up to that. Can you comment on that? Is that appropriate?

**MR. CHAIRMAN:** — That's a very appropriate question.

**MR. DREW:** — I'm not sure, Mr. Chairman. Are you referring to the year ending March '83? Or '82?

**MR. MORIN:** — Well, in '83 or in general, I suppose.

**MR. CHAIRMAN:** — In strict theory, you're not obliged to answer questions off the year under review. If members do ask questions about later years, you're excused if you don't know the answers. But the members are entitled to ask the questions for years other than that under review. But if you don't know the answers, that's understood, because you're only asked to come prepared for the year under review. So I assume the member's question is a general one, and not strictly related to the year under review. I guess he left you to answer his question.

**MR. DREW:** — Well, I guess, Mr. Chairman, about all I could point out to is the budget figures. The estimated budget last year, for the year '83-4, was 5.4 million in regional extension. The budget for '84-5 is 7.3 million. I think it's an indication that we are going to make some very serious efforts to try to improve our ability to deliver information to farmers.

**MR. MORIN:** — On page 27 of your report, statistics and public information, you have marked the information on farm commodities produced in Saskatchewan, as published each week. Is that widely known to farmers? And is it easily obtainable by farmers who want to either hedge part of their production, or do whatever, to stay on top of the market?

**MR. DREW:** — I believe it is, Mr. Chairman. It's made available through all media and, I believe, a fair mailing list.

**MR. CHAIRMAN:** — Our time is running out here. I was going to ask you a number of questions about the specific matters raised by the Provincial Auditor. I note that many of the questions of internal control, the objections have been met. And in many cases, your responses state, we have done the following to meet this problem.

One that caught my interest was the payment of per diem to travelling expenses by, I take it, it was the beef stabilization board retroactively. I don't know glimmer of . . . (inaudible) . . . what I'm talking about. Let me . . . Ah! Okay. Right. The memorandum of the Office of the Provincial Auditor on the Saskatchewan Agricultural Stabilization Fund, Cow-Calf-to-Finish Market Insurance Plan, Feeder-to-Finish Market Insurance Plan, Saskatchewan Beef Stabilization Board,



year end March 31, 1983.

On the third page, the Office of the Provincial Auditor raised the issue of the three new members appointed to the board, and their increased remuneration was made retroactive to April 1, 1982. They could not have been . . . Two questions arise about that. One, I would be surprised to learn that the statute which authorizes you to pay remuneration authorizes you to make such regulations retroactive.

Secondly, it could not have been appointed. New members could not have been appointed April 1, 1982. I don't know when they were appointed effectively, but it wasn't April 1, '82.

**MR. DREW:** — I believe, Mr. Chairman, it was a misunderstanding that when the new members were added to the board or announced to the board, the staff were under the impression that that authorized payments of per diems. And when it was subsequently discovered, it was made retroactive. Why to April 1? But I could rest assured that no one was paid until such time as they met and earned their per diem.

**MR. CHAIRMAN:** — Mr. Kraus, can you give me some assistance here? How were these people paid if there was no authorization? How could they be paid retroactively? I'm not sure I follow this. Perhaps there's no substantive problem here, but only a technical problem, I don't know.

**MR. DREW:** — The payments would be made, Mr. Chairman, by the board.

**MR. CHAIRMAN:** — I see.

**MR. KRAUS:** — Yes, I believe that these are payments that don't go through our office. It's a separate bank account administered by someone else.

**MR. CHAIRMAN:** — How are they paid?

**MR. DREW:** — Well, by a cheque issued by the Saskatchewan Beef Stabilization Board.

**MR. CHAIRMAN:** — I'm sorry. I suppose I didn't make myself very clear. How is the rate of the payment determined?

**MR. DREW:** — It's by an order in council establishing the per diem.

**MR. CHAIRMAN:** — It's a per diem. And what is it?

**MR. DREW:** — I believe it's \$100 for board members. I could provide you with that. Yes, Mr. Chairman it had been established for the board members that continued to sit, so they would have been paid at the same rate.

**MR. BENSON:** — I think what would help is for the members of the committee to realize that treasury board annually review the rates of per diem to boards and members of commissions and agencies. And some sort of determination is made as to the level of that board and that's how the compensation is determined.

**MR. HUNT:** — That's in advance, in a year?

**A MEMBER:** — Yes.

**MR. CHAIRMAN:** — So they are paid a per diem of . . . Let's pick a figure, \$100 a day, plus travelling expenses from their homes to the city of Regina, where I assume they meet. And were they paid that at the end of each meeting or shortly after each meeting, or did they get this as a lump sum payment when the order in council went through?

**MR. DREW:** — When they submitted their request for reimbursement for expenses, the per diem would be paid to them at the same time as the expenses were.

**MR. CHAIRMAN:** — So they were paid for meetings, which they presumably attended or their payments wouldn't have been approved, and for travel expenses. But the whole thing, I gather, was without authorization, and probably still is, actually. It was an attempt to cover the problem by passing a regulation retroactive which, I think, at this point in time everyone would agree was not valid.

I gather that they earned the per diem and their travelling expenses, and there's no suggestion that they've got some sort of a windfall that they didn't earn. It's just that they were made without authorization. Is that what . . .

**MR. DREW:** — That's correct.

**MR. CHAIRMAN:** — Okay. There was also a question of some chemicals missing out of a depot, \$30,000 worth of chemicals. Ever able to locate that problem?

The chemicals are agricultural supplies revolving fund, \$33,000 worth of chemicals went missing.

**MR. DREW:** — Mr. Chairman, I am advised that approximately 7,000 of that was an accounting error, and the remainder is believed to have resulted from the rapid movement of chemicals to rural municipalities, and it was given to them free of charge, so there didn't appear to be the necessity to adequately account for those inventories.

**MR. CHAIRMAN:** — I gather in the year under review at least, this place was not exactly Fort Knox. The controls on the building were not impenetrable. Has that problem been remedied? There's an obvious problem with employee theft. No employer in the world who employs people, that has inventory, is free from employee theft. It's a fact of life, and it obviously must be for you people as well. Has that been remedied?

**MR. DREW:** — It has been remedied to our satisfaction, and I believe to the auditor's satisfaction, with a log book and the owner of the warehouse responsible for whoever enters, when they enter, and what they're there for.

**MR. CHAIRMAN:** — Is that accurate? I ask this question of the Provincial Auditor.

**MR. DREW:** — The two senior people on this file aren't with us today. They are out of town, but I do believe that they have discussed, or they're aware of what has happened, and there have been improvements acknowledged, I think, from . . . (inaudible) . . .

**MR. KRAUS:** — Yes, our notes from the department indicate that this occurred during an unusual period. It was just during a 10-day . . . It doesn't excuse it, but it happened during a 10-day period, and I believe the department's indicated that if they hit this kind of free distribution emergency situation again, that they were going to put extra measures in place. It isn't something that happened in normal times, but rather during a high volume period.

**MR. CHAIRMAN:** — My reading of the material, which is candidly supplied by the department, suggests that that was their assumption, but that, given the nature of the controls over the building, other less complimentary explanations couldn't be entirely excluded in that, and I'm really wanting to assure myself that the controls on the building were adequate to prevent theft.

**MR. DREW:** — They have been improved substantially, Mr. Chairman.

**MR. KRAUS:** — So we're wrong then in assuming that it's just during the 10-day period? You're

saying that your controls should have been improved, or have been improved for . . . on an ongoing basis.

**MR. DREW:** — 24 hours a day.

**MR. KRAUS:** — Okay.

**MR. CHAIRMAN:** — If I had had time, I would have gone over a great number of these, but I'm not sure that that's warranted, given the lateness of the hour.

The Saskatchewan Sheep and Wool Marketing Commission — not apparently collecting the check-off where they're sold at the farm gate. I gather it's viewed by the department as simply not practical just to do that. Is that accurate?

**MR. DREW:** — I think that would be a fair assessment, Mr. Chairman. The numbers wouldn't warrant the inspection that would be required to collect.

**MR. CHAIRMAN:** — . . . (inaudible) . . . and this perhaps should be noted in the minutes . . . (inaudible) . . . It strikes me that the . . . (inaudible) . . . and the regulations should be amended. It's not a wise policy to . . .

I noted in one other area your calculations. What were they calculating? They were ignoring the regulations because the regulations were felt to be wrong . . . (inaudible) . . . It sets out a method of calculating payments to farmers under a stabilization fund, and when asked by the staff of the Provincial Auditor why the regulations weren't followed, the staff apparently were told to regulate . . . (inaudible) . . . And, again, it strikes me that a better approach is to amend the regulations. But, in one sense, by definition, a regulation is never wrong — the law. Has that "wrong regulation" been amended now? Or, you know what I'm referring to?

**MR. DREW:** — I would advise the chairman that it is under consideration, that the board has made their recommendations regarding regulation change, and it is in the process.

**MR. MARTENS:** — Mr. Chairman, is there . . . This is changing from a commission to a board, too, isn't it?

**MR. DREW:** — No, it is not.

**MR. MARTENS:** — Or is it just changing into, just moving into the, continuing in the commission?

**MR. DREW:** — Continuing as a commission, yes.

**MR. CHAIRMAN:** — Right. So that problem which occurred, I gather, again, on the beef stabilization board, that problem has still not been corrected, then? The regulation which provided, and then, in the view of the staff, which provided a . . . I gather that regulation has not been corrected — has still not been amended.

**MR. DREW:** — You said the beef stabilization board, Mr. Chairman. Do you mean the sheep and wool commission?

**MR. CHAIRMAN:** — The sheep and wool commission, I'm sorry.

**MR. DREW:** — No, it has not been corrected. It's in the process of being corrected.

**MR. CHAIRMAN:** — Okay, I think that's probably all the items that I will mention, given the hour. Anything else for this Department of Agriculture? Okay.

**MR. DREW:** — With your pleasure, Mr. Chairman, we could answer two of the questions that we undertook to provide information on, if you'd rather have them now.

**MR. CHAIRMAN:** — All right.

**MR. DREW:** — On the one question regarding the payment of the \$34,000 grant to the Saskatchewan Wool and Sheep Commission, that was paid in '81-82, and that's why we couldn't find it in our *Estimates*.

The question regarding contractual services under administration — we can now provide you with specifics if you would like. Translation services, \$150; registration and inspection fees, \$2,300; association and professional dues, \$673; James Petrychyn, \$16,013; Jayne Blakley, \$17,300; and E. Wilkinson, \$11,583; and R.G. Menzies — my information says 6 million (I believe that's 6,000); and Travacon Research Ltd., for a Vancouver rail study, \$18,000; R.B. Data, for data entry services for the department, 24,000; Edna Johnson, some \$1,080; Griffin, Beke and Thorson, (I presume some legal fees), \$914; Systems Centre Advance Account, some \$2,446; office services, \$30; Micro Shack, \$315; and a D. Klippenstine, \$1,205.

**MR. CHAIRMAN:** — Okay. An unexpected windfall for me. J. Petrychyn was my opponent in the last election and he has gone missing. I have been unable to find which branch of the government he is working in. I gather he's no longer there, because he must have been paid more than 16,000 in a year, so he must have left some time during that year.

**MR. GLAUSER:** — You still don't know where he is.

**MR. CHAIRMAN:** — I still don't know where he is. I see him three or four times a month in the building, but I can't find out where he's working. So you have been of great assistance, gentlemen, you have assisted me with a puzzle which has defied solution.

**MR. GLAUSER:** — You only had one corner of the bed.

**MR. CHAIRMAN:** — Gentlemen, that you very much for coming. We appreciate your assistance and you will be responding to the committee on one or two other items. Once again, thanks for your time.

I think we'll have a seventh-inning stretch for about 10 minutes or so.

#### **Public Hearing: Department of Urban Affairs**

**MR. CHAIRMAN:** — I want to welcome to our committee officials from the Department of Urban Affairs. Dave Innes, deputy minister; Donald Koop, executive director, municipal finance; Don Harazny (how bad of a job did I do on that — not bad, eh?), acting director of property tax rebates; Don Bennett, director of administrative services; Laura Joorisity, manager of accounting services.

Welcome, gentlemen. Thanks for attending and assisting us in our deliberations.

**MR. GLAUSER:** — And lady.

**MR. CHAIRMAN:** — Yes. Sorry about that. That's a correction well taken. We don't have a lot of the distaff side here and we like to see women in senior positions. Thanks.

We warn everyone that the proceedings before this committee are privileged in the sense that nothing you say can be used outside the committee in a criminal action and libel or slander action. On the other hand, it's all taken down verbatim and is readily available for use outside.

Perhaps I'll turn the floor over to the member from Saskatoon Fairview.

**MR. WEIMAN:** — Thank you. In going through the auditor's report, I'm struck by two things, two points, and one being that a lot of it has to do with the internal procedure as well as, I read into it, computer deficiency. And I'm wondering whether if you could explain to us just a quick overview of how a renter's rebate could go out to non-existent rental property. Would that fall into that second category of computer deficiency or program deficiency?

**MR. INNES:** — I think it's certainly something we could talk about it . . . (inaudible) . . .

**MR. WEIMAN:** — Okay. Maybe we could jump straight into it because items (a), (b) . . . I'm sorry, regarding the Provincial Auditor's report, page 14. Items (a), (b), (d), and (e) deal with rebates and seem to fall into that category of computer deficiency. Could you just give us an overview on that, please?

**MR. INNES:** — Sure, as you know, Mr. Chairman, there are . . . The program is operated through a fairly complex system. There are a number of checks and balances in the system to deal with these kinds of questions. I would like to ask Don Harazny, our director in that area, to elaborate a little bit on the, first of all, perhaps, description of the system and how it works, and then speak to the specific issue that you raise. That might be appropriate. If I may receive a brief explanation.

**MR. HARAZNY:** — Okay. Briefly, property owners or renters will apply for a rebate with proper source documentation: that is, either the tax document or a rental receipt signed by a landlord. The application comes into our office. We manually check it twice to make sure the application is complete and accurate. The information is then put through our computer. The computer does check residency status and other sort of qualifications that it can check, regarding previous rebates have been issued, or the description of the rental address to make sure we haven't paid twice on that. And then it calculates the rebate according to the formulas under the three acts, and a cheque is issued to the applicant.

**MR. WEIMAN:** — We had an interesting discussion yesterday — SaskComp — regarding security of the systems, and I'm wondering whether the program that you operate under, vis-a-vis your computer, whether it's programmed by name or is it programmed by address. I'm surprised that, if it is programmed by address, that no matter if a Mr. Smith and Mrs. Jones or whatever sent in for a rebate, that automatically the computer would kick that out and say, wait a minute, we've received three or four under that same address. I'm alluding to item (b), you know, property improvement grants or senior citizens' school tax rebate grant payment, two or more times on the same property.

**MR. HARAZNY:** — Under the property improvement grant and senior citizens' school tax rebate program, the system is basically set up by name according to hospitalization number. The computer checks to make sure we do not make more than one payment to that individual. The renters' property tax rebate program keys both on name and property address, and it checks to make sure that we don't overpay any particular individual and also that we don't provide more than one rebate on a particular address.

**MR. WEIMAN:** — Now the hospitalization number within a family is the same number, except for the prefix code of dependants that's in front of it. Is that right?

**MR. HARAZNY:** — Behind it, actually.

**MR. WEIMAN:** — Yes, behind it, rather.

**MR. HARAZNY:** — It keys on the first six digits of the SHSP numbers and then the last two beneficiary numbers.

**MR. WEIMAN:** — But yet you say the other program keys on name and address.

**MR. HARAZNY:** — It does.

**MR. WEIMAN:** — Would it then make logical sense to key on one thing right across the board and preferably hospitalization number?

**MR. HARAZNY:** — Well the reason that we went in to key on both areas in the renters' program is because of, I would guess, the source documentation that is provided. We have better reliability under the PIG (property improvement grant) and the seniors' program, in that the tax documents are prepared by an independent third party, meaning the municipalities. That is why we just keyed on name under those two programs.

The renters' program — we key on both, because we're not as confident with the source documentation, although we rely on the landlords and they do a good job, and their information is accurate in most instances. But because of the change of rental property from year to year, going from an ownership to a rental basis, we key on both.

Again, in all three programs, we key on the name and number first, and only in the renters' program do we go an additional step and key on the rental address.

**MR. WEIMAN:** — Dealing with these four particular items, I'm just wondering the magnitude of these overpayments or incorrect payments. We're talking in terms of, I believe, the grant rebates over the year were approximately \$76 million. What is the magnitude of the overpayments or the incorrect payments or the duplications?

**MR. HARAZNY:** — Oh, I feel they're very small. There weren't a lot of errors noted, and we do pay our approximately 350,000 rebates per year for the \$76 million in '82-83.

**MR. INNES:** — I think, Mr. Chairman, just to add to that, the auditor's report does note that errors may occur in some of these categories. It doesn't necessarily point them out. In some cases, there have been overpayments referenced, but they have been very small, in the order of \$1,000, I believe.

**MR. WEIMAN:** — \$1,000 in total?

**MR. HARAZNY:** — Yes.

**MR. WEIMAN:** — In total our of the 76 million.

**MR. HARAZNY:** — Yes.

**MR. WEIMAN:** — Okay, because the only reference I have regarding the management letters issued by the auditor is on page 14. I don't know if you have this available. The only actual indication was the one on page 14, talking about unconditional grants of \$8,470. We're talking about grants now as opposed to property tax rebates. But that was the only actual number that I'd seen. So you say \$1,000 out of 76 million.

**MR. INNES:** — Well that's an estimate, and we have a question, frankly, with respect to the interpretation of that. But to answer the question: the level of over or underpayment here that has occurred, that has been noted through our own internal checks or through the auditor's report, has been very, very small relative to the size of the program, the budget itself, \$76 million, or to the number of grant applications — some 350,000 that we handle in a given year.

**MR. WEIMAN:** — One point on that. The mistakes that are made, would any of those fall into . . .

I'll put it the other way. What category would they fall into? Would they fall into the category of an intentional fraudulent claim, an explained natural mistake by the client, or an internal mistake within the department?

**MR. HARAZNY:** — I would basically say the latter two.

**MR. WEIMAN:** — The latter two. There have been no cases of an intentional fraudulent claim.

**MR. HARAZNY:** — Not that we have found, no.

**MR. WEIMAN:** — Talking about the computers and that, there was a recommendation of a service contract with SaskComp. Could you please indicate to us the nature of that recommendation, the nature of the contract, and the status of it now?

**MR. INNES:** — It, in fact, is currently under negotiation with SaskComp. SaskComp just this week, I believe, have delivered to us a draft service agreement. We're looking at that now. And we certainly welcome the notion of entering into a service contract with SaskComp, so that is virtually under way.

**MR. WEIMAN:** — Could you elaborate a little bit on the nature of this service contract?

**MR. KOOP:** — If I may, we just received this this week from SaskComp. What it does is it outlines SaskComp's services that it would provide to the department — its obligations. We haven't had a chance to review it yet. It just arrived this week. We have some samples here.

It talks in terms of SaskComp providing computer services at a level in accordance with the target levels in their service level policy manual; providing some security to users' computer systems, back-up provisions, so that there's a tape taken periodically, so that if the computer goes down you don't lose all of your data; maintaining custody of the computer's files on SaskComp premises, according to their prescribed operating rules; basically outlining what services they will provide to the department, but putting it in black and white.

**MR. WEIMAN:** — I take it, then, that that is to answer another concern and that, as brought up in the letters: basically stated, security was not adequate to prevent access to computer hardware, software, and data. Am I correct in that?

**MR. KOOP:** — Yes, there was a comment in the management letter about security. We have taken a number of steps in the last year to improve security. All the systems are password protected. Some are also protected by access only on site, rather than on any computer terminal, anywhere, if you happen to break the password; so some have an additional protection.

We're also exploring the implementation of some two new computer security systems which are being offered by the systems centre. One is called RACF. It's a technical term for protecting certain components of your computer files, and another one is called . . . I'm sorry, I can't recall the name. But it essentially offers a similar type of computer file protection system, again using a variety of passwords. So we're exploring both of those possibilities.

**MR. GLAUSER:** — Top secret?

**MR. KOOP:** — That's the one. Yes, Top Secret and RACF.

**A MEMBER:** — An original name — Top Secret. Very imaginative.

**MR. WEIMAN:** — Just a couple of little minor questions. Is it at all possible, referring now to your annual report, page 10, informational, is it at all possible that a person — hypothetical person — could qualify for the renters' property rebate, senior citizens', and property improvement grant?

I'll give you the hypothetical case of a senior citizen who is living in an apartment and, as I see here, information that that is their principal residence, they may apply for the renters' tax rebate. But they may have two or three properties in the city of Saskatoon, Regina, or whatever, that they are renting out. Is it at all possible that they could qualify for all three of these?

**MR. INNES:** — Yes, in fact, they would. The program is set up so that those would be recognized as rental properties and they would qualify for an additional grant as a business. The rental property would be deemed to be a business property and qualify for it.

**MR. WEIMAN:** — Would they also be . . . This hypothetical senior citizen, who is living in an apartment, which is their principal residence, would they also be able then to qualify for the senior citizens' school tax rebate on the other properties that they have — the rental properties?

**MR. INNES:** — No. They must be living in the principal residence, which must be a . . . must pay taxes directly.

**MR. WEIMAN:** — The reason I ask that, is of the three designations, it's only the renters' property tax rebate that makes reference to the rental accommodation being their principal residence. When I look at the senior citizens' school tax rebate in your annual report, I don't see anything there that makes reference to that having to be their principal residence.

**MR. HARAZNY:** — That's right. There is a reference to a principal residence in the seniors' program. The principal residence portion of the seniors' program, they would get — part (b) of the calculation — get part of the school tax. If they rent their principal residence and have other property — either business property, farm business property, like you say, houses that are rented out that we treat as business — they'd get the first part of the seniors' calculation, but do not get the second part of the seniors' calculation.

**MR. WEIMAN:** — No. But I guess what I'm asking then: it is possible to receive all three — portions of?

**MR. HARAZNY:** — Not all three. Two of the three. Either renters' and seniors' or renters' and the property tax improvement grant.

**MR. INNES:** — The program is structured intentionally to permit that.

**MR. WEIMAN:** — Just two other questions and then I will pass it on to fellow members of the committee. I refer to *Public Accounts*, volume 1, page C (for Charlie) 14.

Many times I've found within this last two years that we deal with millions and millions of dollars, and after a while the millions and millions of dollars don't seem to be real any more. It's like that old expression that we spend dollars and forget the pennies.

I sort of want to applaud you on this regarding revenue. Here we are, dealing with \$2 million-plus, and you found fit to make sure that we didn't lose 46 cents from profit on foreign exchange. I just want to applaud you on that.

**MR. INNES:** — Thank you, Mr. Chairman.

**MR. WEIMAN:** — It warms my heart to know that you are watching for the pennies, also, but it threw me, to be quite frank. How did we make 46 cents on foreign exchange?

**MR. INNES:** — Quite likely that would result from a U.S. cheque or money order being given in payment for one of our publications.



**MR. WEIMAN:** — But, as I said, I just wanted to bring that to the committee's attention to applaud you — and to the people of the province — that you really are concerned, not only with the millions of dollars that we spend, but also that you are concerned with the pennies. It's the first time I've ever seen, in any estimates or public accounts books or anything like that, a figure such as that. I applaud you for that.

One final question. Regarding revenue by department, same page, C14, and that's EMO, emergency measures organization. How do you derive — I've lost my place here for a moment. All right, \$500,000, \$531,000. How do you derive revenue from emergency measures? Where would that be accrued from?

**MR. INNES:** — A couple of sources, Mr. Chairman. One might be the sale of sandbags at cost to municipalities for flood-fighting purposes, but the major component there would be transfers from the federal government dealing with previous disaster costs. Sometimes we experience delays of up to two or three years in payment from the federal government under the provincial-federal cost-sharing agreement on emergency disaster relief.

**MR. WEIMAN:** — What brought that to my attention is volume 2, *Public Accounts*, page 449. For the expenditure side of EMO, it came to \$95,000, and in my first impression, and being new at this, my first impression is — expenditures, 95,000; revenues, a half a million — that EMO is making money for us. Would that be a correct assessment?

**MR. INNES:** — Well, as I indicated earlier, this is really the impact of a federal cost-sharing agreement with respect to disasters that occurred in previous years, and this would be a portion of federal cost that would be applied against those disasters. So, in effect, it's not making money, if you like; it's simply a part of the federal share of those costs. Provincial costs were incurred in earlier years.

**MR. WEIMAN:** — So the provincial costs wouldn't show up in this year's accounting of expenditures?

**MR. INNES:** — That's correct.

**MR. WEIMAN:** — . . . (inaudible interjection) . . . in previous years. Since the revenue side shows it up to date as half a million dollars, is there any way of giving me a figure of what those expenditures were incurred that allowed us to receive an advance from the federal government?

**MR. INNES:** — We can track it for you and get it for you.

**MR. WEIMAN:** — Well, the only thing is basically what I'm interested in, I suppose, is a ballpark figure right now. Would it be comparable?

**MR. INNES:** — It would certainly be comparable. It would, in fact, likely be significantly higher, I would guess, without looking at the numbers.

A good portion of provincial expenditures were not incurred by this department, but perhaps by other departments — Department of Highways, for example, if they had to use heavy equipment in a flood situation, other departments. And the federal revenues are channelled through this department in the cost-sharing agreement.

So if you wish, we could certainly go back into the files.

**MR. WEIMAN:** — That's not necessary. It was just more one of curiosity than anything because, you know, I noticed this — it almost looked like a great windfall of half a million dollars versus \$100,000.

**MR. INNES:** — Unfortunately not.

**MR. KRAUS:** — I was just going to say, if someone knew what the percentage of cost sharing was, you could determine how much was spent. Is it 50-50, or 40-60?

**MR. INNES:** — Well, it's a formula, in fact, with a couple of ceilings in it, so it would take a little while to work that through. I think we're better off to get the numbers in the records.

**MR. WEIMAN:** — Just a general one — and I'd ask just for a general comment on it. The sirens that we have all over the province — that's under the directorship of EMO (I'm talking about the air sirens) — are those all functional? Just out of curiosity. The one around my place has been up there for at least 15 years, and I've never heard it tested, and I'm just curious.

**MR. INNES:** — Well, I suspect a good number of them are not. They were all put up by the federal government in co-operation with provincial governments in the late '50s, early '60s, as part of the national wartime disaster program. That program has frankly fallen into some neglect over the years. The federal government has, just in the last couple of years, begun to allocate additional budget to wartime planning effort.

We have been involved in discussion with the federal government to attempt to delineate the provincial role in wartime disaster planning. We have not yet come to a complete agreement. The federal government's position currently is that provinces have a fairly heavy role to play in wartime disaster planning. The provinces pretty much across the country oppose that. I guess that gives you a bit of background as to the current situation.

Those sirens, as I mentioned, came about as a result of an earlier wartime disaster plan.

**MR. CHAIRMAN:** — Mr. Innes, what would you assume would happen if those sirens went off all at once? What do you think would happen in 1984? Someone would do with a pair of wire-cutters and cut the wires and assume the damn things had become non-functional.

I was going to raise the very point that Duane raised. It strikes me the EMO is geared up to deal with water, and I suppose lack of water — drought, perhaps — and perhaps fire. But the province has no capacity at all to deal with anything in the nature of a wartime emergency. It strikes me that — and this is not certainly something that's begun with this administration; it's not a partisan comment — but it strikes me that we have really no capacity to deal with a wartime emergency. EMO couldn't begin to assist civilians in the event of a wartime disaster.

Supposing the air base at Minot — someone dropped a few megatonnes on it — we don't have any . . . (inaudible) . . . at all, do we, at this point in time?

As I say, what would happen if those sirens went off?

**MR. INNES:** — Some communities, in fact, do have disaster evacuation plans, mainly aimed, admittedly, at civil disasters. Some of them are also suitable for wartime.

As I indicated earlier we have been negotiating with the federal government with respect to establishing a renewed, updated wartime disaster plan for the province. The main stumbling block to this point has been that the federal government has insisted on seeing the province bear fairly heavy financial burdens as part of that exercise. And the provincial position has been: no, that is constitutionally a federal responsibility. We're certainly prepared to participate and we have, in fact, in some individual community cases, assisted the local EMO operations (the federal) to work out a few initial plans. But you're correct, there's, at this point in time, no effective, nuclear, wartime disaster plan in place.

**MR. CHAIRMAN:** — It's a sort of a schizophrenic problem because on one hand we have

people very concerned about nuclear war and a good deal of concern about cruise missiles, and the show *The Day After*, I think, was the name of the American television production.

There's a good deal of concern about peace, but absolutely no interest in any sector in preparing for the disaster that everyone thinks is inevitable. It strikes me as quite an irrational sort of approach. We have a great deal of concern, which probably is well placed, about the likelihood and possibility of nuclear war, but not a scintilla of evidence, not a scintilla of interest in making any preparations for it.

The common assumption, it seems to me, by the public is, if a war comes, we're all dead anyway, so why try. I don't think — and this is not in any sense a criticism of your department, it's a criticism at our leadership in society — I don't think that our society is very well served by its leadership, which has done absolutely nothing to prepare for an emergency that a goodly portion of the public think is a real likelihood. And you are no different than the former administration, and this province is no different than others. I think no capacity at all . . . You say there are some communities in which there's an evacuation . . . They're not major cities. I think you'll have to agree . . .

**MR. INNES:** — . . . of the scale of an all-out nuclear attack, certainly . . .

**MR. CHAIRMAN:** — How's that?

**MR. INNES:** — There are no plans that could adequately deal, obviously, with an all-out nuclear attack, either on this country or on the U.S. on the missile bases just south of us.

**MR. CHAIRMAN:** — It just seems irrational. Duane, I'm sorry I took that away.

**MR. WEIMAN:** — No, that's fine. As I said, I really didn't intend to bring that up as a question or arguing or debating the pro or con of the programs that EMO have, but other than just to find out whether those things were functional, and you know the money that we put into it is worth the dollars that we do put into it. I not turn it over to fellow members . . .

**MR. MARTENS:** — Last year, you and the federal government worked out a program where you went to the communities and discussed where their problems could be; different things like underground tanks, fuel tanks, and things like that. How many communities worked together with EMO on that, have you got an idea?

**MR. INNES:** — Approximately 65.

**MR. MARTENS:** — Out of?

**MR. INNES:** — Well, we have 500, a little over 500 urban communities, but these are the 65 largest. That was basically an inventory of equipment on site, other physical resources, human resources that could be brought to bear to fight a disaster at the community level.

**MR. MARTENS:** — Would those relate to what area? Like fire — for what fire protection . . . (inaudible) . . . kind of areas that are covered?

**MR. INNES:** — Certainly fire protection, but I mean that's . . . (inaudible) . . . as you know. They would deal with community evacuation plans in the event of a chemical spill.

**MR. MARTENS:** — Like Medicine Hat?

**MR. INNES:** — Yes. They would deal with flood if there are flood hazards in the community. It would identify resources to fight a flood, whether it's heavy equipment, sand bags, or what have you, that is accessible in the community and elsewhere . . . Those kinds of civil emergencies.

**MR. MARTENS:** — Hospitals, extra hospital facilities?

**MR. INNES:** — Yes, emergency hospital beds are always identified as part of the plans. So those resources would be inventoried, right.

**MR. MARTENS:** — For example, Swift Current has in the civic centre access to, I believe, additional hospital facilities in case it was needed.

**MR. INNES:** — Yes, correct. Those kinds of things would be inventory, basically.

**MR. MARTENS:** — Are they kept up to date by the people within the cities, or are they allowed to . . . ?

**MR. INNES:** — That was really the purpose of the exercise last year to bring those things up to date. In fact, some of them had not been updated for perhaps 20 years. In some communities it had never been done. So we will be encouraging, through our EMO (emergency measures organization) office, the local EMO people to, in fact, update those lists on an annual basis.

**MR. MARTENS:** — Do you know whether any rural municipalities have those kinds of people in place?

**MR. INNES:** — No, I believe they do not.

**MR. MARTENS:** — So it's just population-intensive areas that generally have?

**MR. INNES:** — That was our target. Most R.M.s tend to be served by fire-fighting agreements with the adjoining urban municipalities. And that really tends to be the extent of any disaster preparation. Unless, of course, it is flooding, which is handled on a broader provincial scale, if we're looking at severe flooding of the farmland, for example.

**MR. MORIN:** — I have a few questions relating to volume 2 of the *Public Accounts*, page 448. And under the administration you have \$243,000 for publicity and advertising. I wonder if you could give me some information as to why that figure would be so high?

**MR. INNES:** — A good part of that — it includes printing as well — is to provide for the printing of various forms. All of the property tax rebate forms, for example, were reprinted in 1982, and I think that cost in the order of \$100,000.

All other forms that the department uses, for example, in the subdivision approval area, would be included here as well. Advertising would relate to advertising the availability of the property tax rebate programs — in very general describing how they work. I think in that year we did fund a campaign urging property taxpayers to pay their taxes by the end of the year in order to qualify.

Any other major components? Land use advertising, as well, for the Qu'Appelle Valley land use program was included here.

So the bulk of it would be informational advertising with the majority allocated to printing of forms.

**MR. MORIN:** — Under municipal management and finance, professional and technical service, \$366,000. What types of things would be covered under that item?

**MR. INNES:** — Primarily a payment for computer systems. This, of course, is the branch that runs our revenue-sharing program. That is all up on . . . (inaudible) . . . system, and tax rebates as well is funded through there.

**MR. MORIN:** — Tax rebates?

**MR. INNES:** — Property tax rebates. The computer system is funded through there, for doing that.

**MR. MORIN:** — Under urban development, you show a \$33,000 grant to the city of Moose Jaw, and I wonder what that would be for. That's a special grant, I assume.

**MR. INNES:** — This was a grant to the city of Moose Jaw relating to an agreement the province had entered to provide one-third of the costs of a heritage study of the Main Street area. The study was carried out by Heritage Canada, who paid one-third. The province paid one-third, and the city of Moose Jaw contributed one-third.

**MR. MORIN:** — Was there a program for that, or was it a special arrangement?

**MR. INNES:** — It was a special arrangement.

**MR. MORIN:** — And is the department interested in entering into that sort of arrangement?

**MR. INNES:** — We always entertain requests.

**MR. MORIN:** — Under grants to industrial towns, you estimated 85,000 when your actual expenditure was 53,495, all to the town of Coronach. I don't dispute that the town of Coronach probably deserved that help, but I wonder in the light of the fact that you budgeted 85,000, were there other towns, that you had expected to make application and to be approved, that then didn't apply. Or what was the reason that Coronach was the only town on that?

**MR. INNES:** — No, in fact, we had budgeted \$50,000 in that subvote for a capital need study of Coronach and, in fact, it cost significantly less — 18,500. So that's the reason . . . (inaudible) . . .

**MR. MORIN:** — Oh, I see. So that entire \$85,000 amount was targeted for Coronach.

**MR. INNES:** — That's correct. During the year under review there were no other towns that qualified for active financial assistance under the program.

**MR. GLAUSER:** — Mine is just one quick question, and you have that application before you, or the contract with SaskComp to enter into. I notice that you do not have any (and this is a disaster of a different nature), any recovery plan in your present system. I presume that, when looking at that contract, that this would be something that you would be considering. If that system blew up on you right now, what method — would you have any way of recovering what has transpired up to this point?

**MR. KOOP:** — Yes, we do have back-up provisions that we undertake now. In fact, when we do a run on the property tax rebate computer system, we back up after each run. And SaskComp also backs up weekly, and they put that on tape in a storage area.

So there is back-up provisions, so if the system does go down, we would lose nothing more than the day's run, and would have to run that again.

**MR. GLAUSER:** — Then the auditor's report is incorrect, or is this something that was just . . .

**MR. KOOP:** — I think the auditor's report is talking in more general terms about our other computer systems as well. We're speaking to the main one which is property tax rebates. We have the revenue sharing program which is on the computer. We do the calculations there. We do those calculations on the computer and have sort of documentation on hand so that we could reproduce the results; but I think it's primarily in those particular areas where we have

computer systems which aren't up and running every day that we will be creating better back-up facilities, so that we don't run the risk, at sort of the month just leading up to the budget, when we're calculating revenue sharing grants — any risk of losing all the data and having to start over again. So we will be improving our back-up facilities there.

**MR. GLAUSER:** — Okay. Then my next question is: okay, if you enter into a contract with SaskComp for perhaps more services than what you are presently obtaining, is there a possibility of you reducing your involvement in in-house computerization, and would it be less costly obtaining those same services from SaskComp?

**MR. KOOP:** — Well, we haven't had a chance to go over the service agreement in any detail, but I think it simply outlines the services that SaskComp provides to us, and it's sort of generally understood now, but it was never put down in a formal contract, and we're glad to have it. They do provide back-up facilities, and they do put things on tape so that you don't lose a lot of information if the system goes down at a particular point in time.

We would still do some in-house, back-up work to sort of protect our own interest as well, so you would do both. At this point, it's hard to say whether or not SaskComp services to us would be higher or lower in terms of the overall level of the activities that they do provide us. We haven't checked the service contract yet. We just received it this week.

**MR. GLAUSER:** — You will be giving it a pretty hard look, though, eh?

**MR. KOOP:** — Oh, certainly. In fact, we've been anxiously waiting for it to come in, and we understand they've just been sent around to all the user departments very recently.

**MR. INNES:** — I think, Mr. Chairman, that this is a situation that is common to a number of departments, and I would suspect the government will want to look at a disaster plan that might respond to most user needs throughout the government, and weigh the costs and benefits of that, as opposed to, say, Urban Affairs or any other department individually pursuing it, so we'll be working through systems centre as well as, I suspect, other departments, to that end.

**MR. MORIN:** — The member from Mayfair is trying to wind it up, and I have one final question. In your financial report for the year-end '83 on page 6, you talked about community planning, and I wonder when you say the branch also reviews and issues decisions on subdivisions in urban municipalities . . . And I wonder what the time delay is on this?

**MR. INNES:** — Currently, we are operating under . . . Let me back up a little bit. There are perhaps three categories of subdivisions that we deal with. One is a pretty straightforward single or double lot situation, mainly in a smaller community. And that is handled very quickly. It is straightforward; it is pretty simple. And we can quite quickly check the reference documents. That's handled within a couple of weeks.

The other category, the second category, is one that is more complex. It requires a number of referrals to other agencies of government — the utility corporations, the Department of Environment perhaps; Highways may be affected. That process can take up to a couple of months, depending on the nature of the problems that might exist.

The third category is one that a subdivision proposal would, in fact, involve an amendment to the zoning by-law\* of the community to permit it. And legally, of course, for that subdivision to proceed, the zoning by-law must be amended by the community first. Normally what we would do in that situation is try and run the two processes parallel to one another so that, in fact, by the time the by-law is amended, most of the spadework\* on the subdivision approval is done. And again, depending upon the complexity, that can take somewhat longer. It can be handled within a couple of months minimum, as well, so that's a rough indication of the time frames.

**MR. CHAIRMAN:** — The member from Mayfair had his hand up at one point? No.

I just have a couple of quick questions, then. Community planning — in the year under review, this branch got away behind, and we were waiting months to get subdivisions approval. And I recall complaining privately and publicly about the problem. How are you doing now?

**MR. INNES:** — We are doing quite well, Mr. Chairman. The average turn-around times that I just indicated are pretty much what we are experiencing at this point.

**MR. CHAIRMAN:** — I don't follow that comment: the average turn-around times are pretty much what you're experiencing. What do you mean?

**MR. INNES:** — The average turn-around times that I outlined in my last comment — a week, two months, perhaps longer than two months in very complicated cases — is pretty much the rule for our current experience. The new Planning and Development Act\* will be setting a 90-day limit with respect to turn-around time on provincial subdivision approval. So that . . .

**MR. CHAIRMAN:** — Regulations on the old one provide that too, don't they?

**MR. INNES:** — Yes, that's correct, but the definition of when the clock started, if you like, is being revised to make that there's a faster turn-around.

**MR. CHAIRMAN:** — As I know the officials appreciate, it creates problems in selling of land if you get too far behind. During that year under review, we were getting two and, in one case, three sales behind. I got it through the land titles office that you couldn't get the approval . . . (inaudible) . . . A horrifying mess would have resulted had the subdivisions not been approved. Everyone assumed it was . . . they were routine, but a really horrifying mess would have happened if those subdivisions hadn't been approved.

**MR. GLAUSER:** — The lawyers were often the ones that . . . (inaudible) . . .

**MR. CHAIRMAN:** — Well in this case the lawyers were able to blame it all on the engineers . . . (inaudible) . . . go to the engineers, then to community planning, then back to us. So we were able to blame it all on the engineers . . . (inaudible) . . .

**A MEMBER:** — Then you finally blame God for putting it there.

**MR. CHAIRMAN:** — How's that?

**A MEMBER:** — And then you finally blame God for putting it there.

**MR. CHAIRMAN:** — Oh no, you can always blame it on the computer or the secretary if that runs out. You're always got some excuses left.

Downtown\* revitalization. Page 12 of your annual report. You refer to a joint provincial/municipal\* project which is to be executed in the next fiscal year, dealing with land assembly in the downtown area of the city. Was that consummated\*?

**MR. INNES:** — An agreement in principle has been reached with the city of Saskatoon, but a detailed agreement has not yet been reached. We are currently involved in negotiations with the city.

**MR. CHAIRMAN:** — Could you outline the parameters of the program for me?

**MR. INNES:** — Of this specific project?

**MR. CHAIRMAN:** — Yes.

**MR. INNES:** — The city of Saskatoon has indentified a plan to redevelop what's referred to generally as the south downtown area of the city. The city has assembled a block of land within that site. Adjacent to it is a fairly large public-school-board-owned site, as well as a number of private parcels. The plan is a long-term, comprehensive, multi-use development which would see the land developed over, perhaps, a 10, or even 15-year period, as market demand matures.

The principals of the provincial/city participation would see the province and the city in some shares which have yet to be determined, purchase the land and carry the cost of the land until it is developed. Revenues coming out of the development, whether it is sale or lease, would then be returned to the participating parties.

**MR. CHAIRMAN:** — Great idea. It also has possibilities in Regina. It'd be interesting to try it in Regina.

One final question. Renters' property tax rebate. Do you know what percentage of tenants actually apply for the grant for which they're eligible? I ask that because my father-in-law recently became ill in his rooming house in Yorkton. I went to the rooming house to pick up the rent. Not a single one of the tenants knew about the program. All were eligible for it. And I wonder if you have any figures on what the rate . . . (inaudible) . . .

**MR. INNES:** — It's generally running at an 80 per cent take-up rate.

**MR. CHAIRMAN:** — So one out of every five tenants presumably doesn't know about the program or doesn't bother with it or something.

**MR. INNES:** — Either doesn't know about the program — we have advertised it very extensively in the past. Renters tend to be, of course, more mobile than house owners, and we suspect that there's always going to be a category of renters that are on the move, that simply are not in their accommodation long enough to apply for the grant or, because they are moving, are not aware of it.

**MR. CHAIRMAN:** — My guess is, as well, it is the tenants in the cheapest apartments that are most likely to miss it. I suspect they are least likely to be aware of it and likely to be the most mobile.

**MR. INNES:** — It is possible for tenants to apply for up to three years backwards for grants that they may, in fact, have missed.

**MR. CHAIRMAN:** — If they can come by receipts, which usually is their problem . . . (inaudible) . . . receipts.

Okay, anything else for the good and welfare?

**MR. MARTENS:** — I have a question regarding that. Is that 80 per cent of those who are qualified to apply, or is that the total that there are for entry?

**MR. INNES:** — Of those that are qualified.

**MR. CHAIRMAN:** — Okay. Thank you very much, gentlemen. I don't think there was anything you were going to get back to us on.

**MR. INNES:** — Thank you very much, Mr. Chairman.

**MR. CHAIRMAN:** — We need to discuss our schedule for the 25th and 26th.



**MR. GLAUSER:** — Why don't you and me spend a little time in the House next week and accomplish that.

**MR. CHAIRMAN:** — Well one of the problems is that I . . . (inaudible) . . .

We are adjourned.

The committee adjourned at 11:15 a.m.